

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: December 13, 2005]²

Bill No. and sponsor: H.R. 2632 (Mr. Ron Lewis of Kentucky).

Proponent name, location: Flint Ink Corp., CDR Pigments & Dispersions, Elizabethtown, KY.

Other bills on product (109th Congress only): None

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

3,3'-Dichlorobenzidine dihydrochloride (CAS No. 612-83-9) (provided for in subheading 2921.59.80).

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is an aromatic diamine salt used as a precursor in the production of various yellow pigments used in the printing ink industry. It is imported from Germany, Japan, Republic of Korea, India, and China.

Estimated effect on customs revenue:

HTS subheading: <u>2921.59.80</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$80,000,000	\$80,000,000	\$80,000,000	\$80,000,000	\$80,000,000
Customs revenue loss 1/	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000

1/ A portion of the estimated Customs revenue loss for 2005 and 2006 results from a duty reduction to 5.1 percent ad valorem under HTS heading 9902.03.28 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimates.

¹ Industry analyst preparing report: Larry Johnson (202-205-3351); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Flint Ink Corp. (Proponent) CDR Pigments & Dispersions Mr. Ashley Craig, 202-344-4351 Mr. Rucker Wickline, 270-737-1700	09/30/2005 10/18/2005 10/21/2005	No	No	No
Allegheny Color Corp., Mr. Jon Gallisdorfer, 815-741-2588	09/30/2005	No	No	No
Apollo Color, Inc., Mr. Tom Rogers, 815-722-3965	09/30/2005	No	No	No
BASF Corp., Mr. Phil Webb, 704-398-25888	09/30/2005	No	No	No
Ciba Specialty Chemical Corp., Mr. John Demming, 202-857-5200	09/30/2005	No	No	No
Clariant Corp., Mr. Andy Zamoyski, 401-823-2230	09/30/2005	No	No	No
Diacolor-Pope, Mr. Bob Turkos, 973-279-2702	09/30/2005	No	No	No
Engelhard Corporation, Roland Valin, 732-205-7144	09/30/2005	No	No	No
Fanwood Chemical Co., Mr Jim DeLisi, 908-322-8440	09/30/2005	No	No	No
Galaxie Chemical Corp., Mr. Richard Caldwell, 973-279-0558	09/30/2005	No	No	No
Magruder Color Co., Inc., Mr. Joel Weissglass, 973-241-1300	09/30/2005	No	No	No
Mason Color Works, Inc. Ms. Carol Mason Cronin, 330-385-4400	09/30/2005	No	No	No
Max Marx Color Corp., Mr. Walter Sichel, 973-373-7801	09/30/2005	No	No	No
Sun Chemical Corp., Mr. Ed Faulkner, 513- 681-5950	09/30/2005	No	No	No

Technical comments:³

The Commission notes that heading 9902.03.28 currently provides for a temporary duty reduction from 6.5 percent ad valorem to 5.1 percent ad valorem for this chemical through December 31, 2006. The Commission suggests that the new duty suspension be enacted using this heading number. This could be accomplished by deleting heading 9902.03.28, and by using that heading number for the new duty suspension in this bill.⁴

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

⁴ Specifically, line 6 of the bill should be amended to read “. . . amended by striking heading 9902.03.28 and inserting in lieu thereof the following. . .”. In addition, the heading number used in the bill, 9902.09.50, should be deleted and replaced with 9902.03.28.

109TH CONGRESS
1ST SESSION

H. R. 2632

To suspend temporarily the duty on 3,3'-Dichlorobenzidine Dihydrochloride.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2005

Mr. LEWIS of Kentucky introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on 3,3'-Dichlorobenzidine Dihydrochloride.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. 3,3'-DICHLOROBENZIDINE DIHYDROCHLORIDE.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.09.50	3,3'-Dichlorobenzidine Dihydrochloride (CAS No. 612-83-9) (provided for in subheading 2921.59.80)	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

